

**11:45-13:00**

**APA agenda item 8: informal consultations on issues related to Adaptation Fund  
Meeting Room 4**

**Notes taken by:**

**Carol Yuen, National University of Singapore**

**Co-chair:**

- Will ask for inputs on these areas which have not been discussed much in the first two informal sessions
- Para 1-4 governance
- Para 5-9 on composition of Board
- para 10-14 on eligibility
- ...
- Reiterate need to work on finance convergences to have a second iteration

**South Africa:**

- Need more time to assess with group
- Para 19 – deep discussion – don't believe our views have been reflected at all
  - Primary thing to task the Board to do is to elaborate how exactly the AF would serve the PA – we all stressed the importance of AF to serve PA – but there is no corresponding provision on this
  - Happy to submit text if you would find that easier
- Agreed yesterday to work on para 10 – language is there – conversation without [final] conclusion due to time not disagreement – may have to come back on that – but para 10 was outcome of our discussions

**Japan**

- Governance – starting point as Jan 2019 – how to deal with 16 projects CMP – prevent transition from KP to PA
- Operating modalities – not in position to support para 11
- ...
- 6.4 ...

**US:**

- would like to revise para 19: in accordance with financial services
- Newly formed board to review modalities and guidelines of AF, including its environmental and social safeguards, CFT (counter financing of terrorism) policies, and an independent accountability mechanisms and revise as appropriate to ensure funds are in accordance with international best practices

**China:**

- Open-ended transition period needed for this period and it is too early to only serve the Paris Agreement
- Para 14 – eligibility – decides that developing countries parties to PA are eligible for funding under the AF – PA Art 9.9: in particular ...

- *[Chair interrupts and says that eligibility will be discussed later, as yesterday it was not discussed.]*

Canada:

- Want to support Japan: bracket para 4 and 16 – logical since para 6 is still bracketed
- Para 19 – in line with existing mandates

Saudi Arabia:

- 6.4 = ? document or article? I don't see 6.4
- Don't want the AF to be a GCF – not an area to establish policies on gender etc.
- Stream of shared proceeds agreed in art 6 of PA – want process of replenishment for AF which we do not have as of yet – efforts/political pressure to shift AF financing is unacceptable – will not accept reference to other funds/social financing

Co-Chair:

- Para 15 mentions Art 6.4 of PA
- Understood concerns

EU:

- Can work with the new text; thank you for the effort of streamlining
- Some issues
- Para 11 – some impacts – need to check

Argentina (+Brazil+Uruguay):

- Para 19: Board could conclude arrangements with trustee on behalf of CMP and CMA
  - But we are still not sure if this the right place to reflect that because it could be broader and may be more appropriate to place it in governance and institutional arrangements section
  - The content is fine with us

Malawi (LDCs):

- Ready to work on this iteration provided
- Want to see AF move forward as soon as we can
- Not sure yet about going into details of forming a new Fund Board – those issues can be left out – should give ourselves a transitional period
- Key issues: replenishment...

Co-Chair:

- Move to paras 12-14 on eligibility
- Make focused and brief comments in particular clear indications of how we can streamline and delete brackets

China:

- Para 14: change to “decides that developing country parties to PA are eligible for funding AF, in particular for LDCs and SIDs” – two paragraphs now, not only one

- Better to choose para 14 only [and change it]

Switzerland:

- Can accept Option 2 in principle
- Option 1 – group wonders about bracket particularly “vulnerable” how would this be measures? prefer “developing country” instead

Chile (+Peru):

- Supports Option 2

Argentina (+Brazil+Uruguay):

- Supports Option 2

EU:

- Supports Option 2
- Echoes Switzerland re difficulty in measuring “vulnerable”

Mali (AOSIS):

- Prefer Option 1

Saudi Arabia:

- Special consideration for LDCs and SIDS is a well-established principle; they receive the most attention
- Prejudging here however – only parties to PA = point will only serve PA – have to just say Parties – have not decided that it will only serve PA – in our view it will serve KP + PA

Australia:

- Supports Option 2
- If consensus is for Option 1, would like to merge 13 and 14.
- Re measurement of vulnerability – not the case for LDCs and SIDS – most adversely affected by climate change – good idea to merge 13 and 14 to reflect that.

*[Another party supported Option 2 – not sure who.]*

Malawi:

- Support Option 1
- LDCs, SIDS projects are very small – you will still get funding for your projects - will not exhaust everything in the fund

India:

- Support China and Malawi
- Agree with Saudi Arabia – should not prejudge PA

Pakistan:

- ...

South Africa:

- Do not believe that there needs to be a section on eligibility
- AF is to be under CMP – notion of eligibility is already well covered by the funding documents of the CMP
- Need for something along the lines of para 14
- What we should discuss is: How exactly will AF support implementation of PA especially for LDCs
- Should not be prejudging eligibility

Argentina:

- Supports Option 2 + in particular LDCs and SIDS – ok with us
- Re Saudi Arabia's comments - ... have not touched governance yet ... want to make this clarification.

Indonesia:

- Supports para 12 and 13.

Co-chair:

- Move to paras 5-9 on board composition
- Signal preferences for option and try to engage among yourselves on this – can continue working in same spirit on eligibility – in order for us to make some changes for second iteration

Saudi Arabia:

- Don't see any need for changes
- Success for AF depends on the way the work is structured – caters to developing country needs – let's keep that success by not proposing a new structure
- Of the opinion that the current composition that gives majority to developing countries is the way to go and the right structure to give consideration to the circumstances of developing countries – overarching business environment = conditionalities for financing if developed countries are added to the board – majority of developing countries are being represented on this board

Switzerland:

- Definitely not in agreement with Option 2 – the board and the fund need clarity
- Want to know what the board looks like during transitional period and after
- Believe that Option 1 is not okay because it makes references to Annexes – sensitive political issue – being very transparent here – if we want fund to serve PA we need to remove the references
- If we want to make this credible and want parties to be included, parties to PA not parties to KP need to be part of the conversation – propose that at least one seat added for KP parties to be added to the conversation
- I just saw the flag from South Africa go up strongly... I understand that this is not your position but we are here to find solutions

Argentina:

- Changing the composition of Board now is not a good idea
- We want to keep the current composition
- Foresee representation by PA parties of non-KP parties – they are eligible and seats are available for this group of parties – changing composition at this stage is not something that we support

South Africa (African Group):

- Support Argentina, Saudi Arabia and other colleagues who support keeping the composition of Board
- I understand however there are colleagues who have concerns about non-parties to PA and KP – bureau can resolve this issue by sending note to parties to advise parties in regional groups to nominate members that are either parties to PA and KP – simpler way of dealing with this if the issue is non-involvement
- Not necessary to have a section on composition – board remains as is

India:

- No need change in the old structure

Pakistan:

- Do not believe that we should change composition of the board
- The board is already functioning very effectively
- Fully agree with South Africa that issue of representation could be resolved as such

Japan:

- Support what Switzerland said – AF fund board should be changed in accordance with PA
- Decision on composition should be made this year

US:

- Reason for our submission to change composition
- Cannot prejudge the source of funding – work should reflect source of funds for AF

Co-chair:

- We will have another informal consultation tomorrow where we will discuss governance, the last issue
- Encourage you to meet in informal informal